

RESALE OF FX/OPX FACILITIES

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Owner: Torrie Leonard

PURPOSE

To define the terms and conditions under which ITS will resell Foreign Exchange (FX) or Off Premise Extension (OPX) facilities to a given agency.

SCOPE

This policy applies to all State employees.

BACKGROUND

To minimize the per minute cost that agencies pay for long-distance services, the Division uses various options:

- Installing OPX, FX, and TIE lines purchased from the local exchanges or common carriers.
- Installing OPX, FX, and TIE lines utilizing the State's microwave system.
- Obtaining volume discounts for long-distance services from the local exchanges or common carriers through the Request for Proposals process.
- Utilizing tandem switches that are strategically located throughout the State.

The long distance requirements vary from site to site, from one agency to another, and from month to month. The Division continually seeks new technological alternatives and methods of using the above options to meet agencies' long-distance needs, drive down the long distance rates, and to prevent an undue burden being placed upon any one agency. However, due to the differences that exist between agencies, the Division believes that alternatives for reselling long distance services to the agencies other than the per minute rate must also be available.

As an alternative to purchasing long distance services on a per minute basis, the



Division will lease FX or OPX facilities to agencies where it is cost effective for the State. An FX or OPX allows an agency to obtain long distance service and pay a fixed monthly rate regardless of the amount of traffic the agency generates.

POLICY

An agency can request that a traffic study be performed prior to installing an FX or OPX in order to determine whether or not installing the facility is cost effective. Additionally, an agency can request a traffic study be performed on any FX or OPX at anytime. However, the requesting agency shall be responsible for all costs associated with the traffic study. Upon receipt of a request for an FX or OPX, the Division shall complete a traffic study at the requesting agency's expense and provide a formal response to the agency. The response shall include the results of the study and a recommendation regarding the economic feasibility of installing the requested facility.

The Division will install an FX or OPX only when it will not create an economic hardship on other State agencies. An agency has the option to install an FX or OPX in instances where the expense of the FX or OPX negatively impacts only the requesting agency's costs and none of the other State agencies.

Agency requests for facilities to handle in-only traffic can lease an FX, OPX, or 800 service. An agency can request a traffic study be performed after installation. If a study is requested and it shows that the installed facilities are not the most cost effective, an agency may choose to retain or replace the installed facilities. The agency is responsible for all costs associated with the traffic study and any installation costs should the agency choose to replace the facilities.

An agency requesting FX, OPX, or 800 services shall be required to pay the currently approved ITS rates plus the Universal Rate when applicable. Any long distance traffic that is routed over the FX or OPX and is terminated in the local serving area of the FX is included in the fixed monthly service charge. Any long distance traffic that overflows to the other telecom facilities shall be billed to the agency at the current per minute rates. FX and OPX facilities must be billed to a single agency and shall be provided only if the current system will accommodate dedicated lines.

